


MEMORANDUM

March 24, 2009

TO: Public Safety (PS) and Transportation, Infrastructure, Energy, and
Environment (T&E) Committees

FROM: Linda McMillan, Senior Legislative Analyst 

SUBJECT: **Worksession: Property Use Study/Smart Growth Initiative**
GE Tech Park Building Lease/Purchase Proposal
(The Webb Tract/Proposed Relocation of the PSTA will
not be addressed at this session.)

At this session the joint PS and T&E Committee will be briefed by Assistant Chief Administrative Officer Diane Schwartz-Jones on the current details of the proposal from the County Executive to enter into a lease-purchase agreement for the GE Tech Park Office Building.

Previously, the joint Committee has been informed that the Executive is pursuing purchasing the GE Tech Park building through a lease purchase agreement. The lease would have a full year cost of about \$3.5 million (FY10 would not be a full year). Once programs are moved into the building from other leased facilities there would be full year savings of about \$2.6 million from lease terminations. The programs that are expected to be relocated to this building are:

- Police Headquarters
- Police 1st District Police Station
- Police Background Investigations
- Police Special Operations Division
- Police Internal Affairs
- Police Fraud, False Alarm, Pawn, and Traffic Units
- Public Safety 2000 (radio/data) Training Center (police and fire/rescue)

- Fire and Rescue Headquarters
- Fire and Rescue Service Bomb Squad and Self Contained Breathing Apparatus Unit
- Fire and Rescue Internal Affairs
- Department of Correction and Rehabilitation Headquarters
- Department of General Services Procurement, Real Estate Management, Building Management
- Department of Transportation - Parking Lot Division

Once the transition is complete, the Executive proposes selling the current Police Headquarters which would be applied as an offset to this project. There is also value to the site of the current 1st District Station. Decisions on the future use of the parcel are tied to decision on MCDC reuse. Replacement of the current 1st District Station is included in the Approved CIP. At this time, only planning funds are programmed and start in FY11.

The County Executive's Recommended Budget identifies additional FY10 costs associated with this proposal. These items will most likely need to be adjusted.

Operating Budget Impacts of the General Electric Facility (in DGS Budget for maintenance of facility)	\$1,600,000
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Utilities:

Electricity for GE Building	\$ 749,110
Natural Gas for GE Building	158,920
Water and Sewer for GE Building	84,390
Fuel Oil for GE Building	7,520
Propane for GE Building	60

There is no specific item listed in the Leases Non-Departmental Account. Council staff presumes this is because the partial year FY10 lease costs for the GE Building would be more than offset from the FY10 lease terminations. This is expected to change in the FY11 when the overall lease cost for GE would exceed lease terminations by about \$1 million.

On March 10, 2009 the Council received a letter from the City of Gaithersburg asking the Council not to appropriate any additional funds for the Property Use Study/Smart Growth Initiative until the City and County enter into an agreement that includes eight items requested by the City. The letter is attached at © 1-3. Executive staff has previously told the joint Committee that the County intends not to develop the land between Darnestown Road and the lake expect for the construction of the Public Safety Memorial, to preserve the seven acre stand of trees, and to add additional screening near the Finmarc warehouse.



March 9, 2009

The Honorable Phil Andrews
Montgomery County Council Office Building
100 Maryland Avenue
Rockville, Maryland 20850

Dear Council President Andrews,

As you know, Gaithersburg City staff has been in discussions with representatives of the Executive branch on the impacts of the County Executive's Smart Growth Initiative on the City of Gaithersburg. As Assistant City Manager Tony Tomasello testified before you on January 22, 2009, we are supportive of the goals of the Smart Growth Initiative, but we still have concerns that have not been addressed.

We hope to complete discussions with the Executive branch in the near future, and we are requesting that the County Council not approve any additional funding for the Smart Growth Initiative until such time as discussions between the City and the Executive branch are concluded.

Since your January 22nd meeting, the position of the Mayor and Council is to reach a binding agreement with Montgomery County concerning the GE/Finmarc Tract that includes the following key provisions:

1. County to execute an easement to preserve the 14-acre open space area adjacent to Lake Placid as open space, while allowing the planned Public Safety Memorial. *(Executive staff appears to be supportive of this item.)*
2. County to execute conservation or open space easement/covenant for the seven acre Parcel C. *(Executive staff appears to be supportive of this item.)*
3. County to agree to City Planning Commission courtesy review, consistent with Montgomery County's mandatory referral of all development plans. *(Executive staff appears to be supportive of this item.)*
4. County to agree to covenant to limit redevelopment of property to current structures, with the exception of an Aquatic/Gymnasium Center, for a period of 25 years.
5. County to agree to a covenant to limit future development of property to uses permissible under the Annexation Agreement and City zoning on the property at the time the agreement was executed.

City of Gaithersburg • 31 South Summit Avenue, Gaithersburg, Maryland 20877-2098
301-258-6300 • FAX 301-948-6149 • TTY 301-258-6430 • cityhall@gaitHERSBURGMD.GOV • www.gaitHERSBURGMD.GOV

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6. County to fund total cost of construction of the Aquatic/Gymnasium Center, with the exception that the City would contribute \$3 million in Program Open Space funds and convey Lot 3 to the County at no cost. The City has substantially completed design of this facility, and will work with County representatives to finalize design. In addition, the County would pay a proportionate share per annum of operating costs. *(Please note that there have been some very preliminary discussions on the concept of developing a combined facility that includes a Senior Center and the Aquatic/Gymnasium Center.)*
7. County to add screening to include fencing and additional plantings to the existing 50 foot conservation easement between the Finmarc property and the adjacent residential development as agreed to by a committee comprised of a County representative, adjacent property owners and a City representative. *(Executive staff appears to be supportive of this item.)*
8. With the exception of local neighborhood traffic, the County facilities at the GE/Finmarc Tract will be accessed by Edison Park Drive.


We realize that funding the construction of the Aquatic/Gymnasium Center would have significant budget implications for the County; however, it is important to note that if the County acquires this land, the City will lose significant tax base in perpetuity. While building an Aquatic/Gymnasium Center in this location remains a priority for the City, in our strategic planning process we identified a Senior Center as having higher priority. We will not pursue the Aquatic/Gymnasium Center unless significant capital and operating support can be provided by Montgomery County. It is important to understand that although such a facility would be located within City limits, it would serve County residents. In fact, past experience and estimates of future use indicate that a majority of the users of a Senior Center or an Aquatic/Gymnasium Center would be non-City residents, thus necessitating major capital and operating cost contributions from the County.

Additionally, we are very concerned with the lack of communication with the County regarding the Smart Growth Initiative. For example, just this week the County failed to notify us about very sudden modifications to the plan for the Webb Tract, which were announced after the residents near the Webb Tract were told a different story about the County's use of that land. We had to read about it in the newspaper. Such changes validate the concerns this Council has about the certainty of the County's plans for the site in Gaithersburg. We would appreciate timely notice of any future meetings regarding the County's plans so that we may fully participate in the process. Finally, we are requesting that the County appoint a City representative to serve on the Advisory Committee for this initiative.

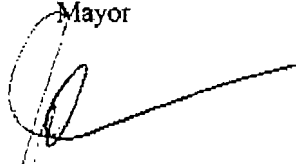
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Your consideration is greatly appreciated. Please feel free to contact us at 301-258-6310 if you have any questions or wish to discuss this further.

Sincerely,



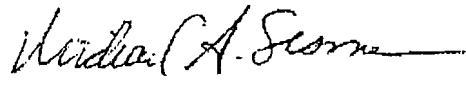
Sidney A. Katz
Mayor



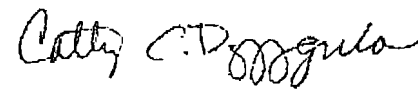
Jud Ashman
Council Member



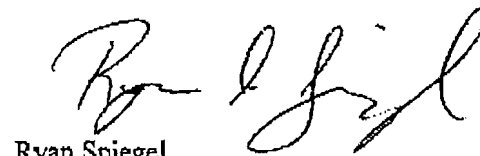
Henry F. Marraffa
Council Member



Michael A. Sesma
Council Vice President



Cathy C. Drzyzgula
Council Member



Ryan Spiegel
Council Member

cc: County Council Members
Isiah Leggett, County Executive
Angel L. Jones, City Manager